

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
ADAMS TOWNSHIP  
MADISON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
09/03/2008



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OFFICIALS

Office

Official

Term

Trustee

Melinda Padgett

01-01-03 to 12-31-10

Chairman of the  
Township Board

James Wallace

01-01-06 to 12-31-08



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ADAMS TOWNSHIP, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of Adams Township (Township), for the period of January 1, 2006 to December 31, 2007. The Township's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Township for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 18, 2008

ADAMS TOWNSHIP, MADISON COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 47,909	\$ 28,240	\$ 21,695	\$ 54,454
Dog	773	406	1,179	-
Township Assistance	8,548	7,300	7,062	8,786
Firefighting	98,905	109,436	138,568	69,773
Ambulance	53,148	36,676	45,147	44,677
Library	16,683	29,897	28,606	17,974
Recreation	2,889	3,424	3,603	2,710
Fire Equipment Debt	7,826	29,284	28,945	8,165
Cumulative Fire	70,491	24,847	24,290	71,048
Levy Excess	-	6,076	-	6,076
Totals	<u>\$ 307,172</u>	<u>\$ 275,586</u>	<u>\$ 299,095</u>	<u>\$ 283,663</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Township	\$ 54,454	\$ 1,522	\$ 23,322	\$ 32,654
Township Assistance	8,786	2,216	5,467	5,535
Firefighting	69,773	76,506	122,826	23,453
Ambulance	44,677	40,892	42,126	43,443
Library	17,974	14,527	29,909	2,592
Recreation	2,710	1,227	3,564	373
Fire Equipment Debt	8,165	10	28,905	(20,730)
Cumulative Fire	71,048	11	37,844	33,215
Levy Excess	6,076	5,089	6,076	5,089
Totals	<u>\$ 283,663</u>	<u>\$ 142,000</u>	<u>\$ 300,039</u>	<u>\$ 125,624</u>

The accompanying notes are an integral part of the financial information.

ADAMS TOWNSHIP, MADISON COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, township assistance, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

ADAMS TOWNSHIP, MADISON COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loan Payable	\$ 25,202	\$ 25,731



ADAMS TOWNSHIP, MADISON COUNTY  
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of Township officials and employees was not certified to the County Treasurer during the examination period.

Indiana Code 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

PRESCRIBED FORMS

The following prescribed forms were not completed:

Township Form 17 – Resolution Establishing Salaries of Township  
Officers and Employees  
General Form 100R – Certified report of Names, Addresses, Duties  
and Compensation of Public Employees

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CAPITAL ASSET RECORDS

The Township is not keeping an inventory or record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ADAMS TOWNSHIP, MADISON COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CONTRACTS

Records presented for examination indicate payments were made to the Town of Markleville for Park Maintenance in 2006 and 2007 without a contract. Additionally, records presented for examination indicate payments were made to Adams Township Volunteer Fire Department for compensation, equipment, supplies, and several other purchases in 2006 and 2007 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PUBLIC RECORDS RETENTION

Cancelled checks or optical images of checks for approximately 60% of invoices examined were not presented for examination. Also, bank statements for January and February of 2006, were not presented for examination.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

ADAMS TOWNSHIP, MADISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2008, with Melinda Padgett, Trustee.  
The official concurred with our findings.